

W-01303A-09-0343
SW-01303A04-0343

OPEN MEETING AGENDA ITEM

ARIZONA CORPORATION COMMISS

UTILITY COMPLAINT FORM



0000154778

Investigator: Deb Reagan

Phone:

JUL 21 A 9:16

Fax:

ORIGINAL

Priority: Respond Within Five Days

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Opinion No. 2014 - 117149

Date: 7/18/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: Robert & Linda Last: Rosenberger

Arizona Corporation Commission

DOCKETED

Account Name: Robert & Linda Rosenberger

Home:

JUL 21 2014

Street:

Work:

City: Buckeye

CBR:

State: AZ Zip: 85396

is:

DOCKETED BY

[Signature]

Utility Company: EPCOR Water *AAWC

Division: Water

Contact Name: Karl Wilkins

Contact Phone:

Nature of Complaint:

***** W-01303A-09-0343 and SW-01303A-09-0343 *****

Customer sent the following -

Our Epcor waters rates, for services rendered, are the single highest bill we have. When my water bill is HIGHER than my power bill in Arizona's 110 degree weather, there is a serious issue. All the surrounding areas of Verrado pay up to 65% less than we do. If rates are not lowered, and soon, we may be forced to sell and move elsewhere. These water rates also affect our HOA fees. Epcor prices are absolutely horrific.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 7/18/2014

Opinion No. 2014 - 117149

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 117130

Date: 7/18/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By:

Cathy

Marzano

Account Name:

Cathy Marzano

Home: (

Street:

Work:

City:

Sun City

CBR:

State:

AZ

Zip: 85373

is:

Utility Company:

EPCOR Water *AAWC

Division:

Water

Contact Name:

Karl Wilkins

Contact Phone:

Nature of Complaint:

***** W-01303A-09-0343 and SW-01303A-09-0343 *****

Customer sent the following -

This company is a joke, they openly are stealing from their customers!!! And the ACC and whom ever else is in charge of regulating them is allowing this to happen. This to the people that put you in office. This company has been over charging us for everything. They round out bills to their benefit. They don't charge us what we use. They've billed us for over 10k gallons of water, that we've never used. My back yard is dirt because I can't afford the water....my front yard is fake grass for the same reason. I have charts that this company printed out when we went in to see them. They show that we never go over 6k and they wouldn't or didn't do anything. We had statements from the landscape company that we had no leaks and they did nothing. I'm still paying for that water bill it was over \$250.00 for NOTHING!!!! We were discounted for \$5 so they could charge us a reconnect fee. One neighbor was disconnected for .60 CENTS the other was disconnected and the company knew they have a disabled infant. This company is grotesque!!!! If you need pictures of my broken meter that can't be read I have them copies of charts and my statements that make no sense I have them. My bill as of today is over \$500.00 can't afford it any more. My children don't play sports because I can't afford to pay for both.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control. (Inquiry filed with EPCOR)

End of Comments

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

Date Completed:

Opinion No. 2014 - 117130

W-01303A-09-0343
SW-01303A-09-0343

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Investigator: Deb Reagan

Phone:

Fax:

Priority: Respond Within Five Days

Opinion No. 2014 - 117132

Date: 7/18/2014

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

First:

Last:

Complaint By: Jenna

Kollings

Account Name: Jenna Kollings

Home: (

Street:

Work:

City: Anthem

CBR:

State: AZ Zip: 85086

is:

Utility Company: EPCOR Sewer *AAWC

Division: sewer

Contact Name: Karl Wilkins

Contact Phone: (

Nature of Complaint:

***** W-01303A-09-0343 and SW-01303A-09-0343 *****

Customer sent the following -

Reference: SW-01303A-09-0343 Open Meeting Memorandum, dated July 8, 2014 (eDocket document number 0000154583) (the "Memorandum") Commissioners: The Memorandum presents Staff's summary and response to complaints from customers of the Agua Fria Wastewater District ("AFWD") regarding the high rates they pay for their wastewater services from EPCOR Water USA (the "Company"). We understand the complaints and the desires of those customers for relief from their high wastewater rates and understand the Commission's desire to investigate the causes and potential solutions for those frustrations. However, for the reasons set forth in this letter, we respectfully request that the reconsolidation of Anthem into the Agua Fria Wastewater District be summarily rejected as a possible solution. While the Memorandum articulates the current complaints, the Memorandum does not recall the crucial reasons why the Commission voted to deconsolidate Anthem from the Anthem/Agua Fria Wastewater District in Decision No. 73227 issued in June of 2012, even when considering the substantial rate increases for AFWD customers and the other possible consequences of deconsolidation that were then known both to the Commission and the AFWD parties. The debate and consideration of deconsolidation during case SW-01303A-09-0343 was extensive and thorough and all parties were given ample opportunity and time to provide input to the Commission's final decision to deconsolidate the Anthem/Agua Fria Wastewater District. This issue has already been fully explored and voted on by the Commission. Anthem should not have to incur the significant time and expense that would be involved in a repeat performance. If, after full exploration and deliberation, the consolidation of the Anthem/Agua Fria Wastewater District was not the solution for the significant rate increases for AFWD users two years ago, considering that no facts have changed and no new facts have come to light, the consolidation of the Anthem/Agua Fria Wastewater District is not the solution now. In summary, among the Commission's numerous considerations mandating deconsolidation of Anthem from the Anthem/Agua Fria Wastewater District in 2012: 1. The Commission concluded that maintaining the consolidated Anthem/Agua Fria Wastewater District would be "completely arbitrary" because the Anthem Water

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

District and the Agua Fria Water District are geographically separate and were operated by the Company as separate business units. 2. Evidence revealed that the Anthem customers were paying a \$2.4 million subsidy to maintain artificially and unfairly lower rates for Agua Fria wastewater customers. Therefore, the Commission concluded that maintaining the consolidated Anthem/Agua Fria Wastewater District would not result in just and reasonable rates for Anthem residents. 3. The Commission stated that it is undisputed that a large disparity in deconsolidated rates (the current AFWD rates) is due to the treatment facilities located in the AFWD that, by virtue of its geographic separation and lack of interconnection facilities, Anthem residents do not and cannot use. The AFWD does use these facilities. Thus, deconsolidation of Anthem from the Anthem/Agua Fria Wastewater District was necessary to "accurately allocate costs to the cost-causers." 4. The Commission recognized that the AFWD parties could advocate for further deconsolidation of the AFWD, but that the immediate deconsolidation of the Anthem Wastewater District was needed to satisfy the Commission's "desire to establish rates on cost causation principles." 5. Even disregarding all of the above, the Commission noted that it was in the public interest to deconsolidate Anthem from the Anthem/Agua Fria Wastewater District, "in order to preserve the integrity of settlement negotiations that occur in Commission proceedings." As discussed in more detail in in Decision No. 73227, the deconsolidation of Anthem from the Anthem/Agua Fria Wastewater District was a vital part of a settlement agreement with the Company approved by the Commission. Considering the above factors, each of which were thoughtfully contemplated by the Commission with full knowledge and awareness of the results for the AFWD customers, it would be unfair and unconscionable for the Commission to reconsolidate the Anthem Wastewater District and the Agua Fria Wastewater District as contemplated on page 6 of the Memorandum. Arbitrarily reconsolidating the Anthem/Agua Fria Wastewater District would cause Anthem residents to resume paying unjust and unreasonable rates to fund the significant subsidy to the Agua Fria customers, allow Agua Fria customers to resume paying less than their cost of service, and obliterate the integrity of settlement negotiations in Commission proceedings. Further, it is crucial to note that no party is urging reconsolidation of the Anthem/Agua Fria Wastewater District. Instead, the AFWD parties have now embraced most of Anthem's arguments favoring deconsolidation (no party is raising claims similar to Anthem's settlement position) as their own and are looking for the establishment of districts that further "accurately allocate costs to the cost-causers." Nobody is looking to go backward. We urge the Commission to avoid doing so. In summary, we advise you as follows: 1. While we understand the concerns expressed by the customers in the AFWD, Staff's suggestion to reverse the deconsolidation of the Anthem/ Agua Fria Wastewater District, as indicated in the fifth matter in the Memorandum, is inconsistent with Decision 73227 and it would unfairly reinstate a totally unjustifiable burden on the customers of the Anthem Wastewater District. Therefore, we recommend that this matter be removed from any consideration now or in the future. Anthem does not wish to incur the substantial costs and expenses required to revisit a concept that has already been firmly rejected by the Commission as a solution to elevated AFWD rates. 2. We also understand the desire of some customers in AFWD to fully deconsolidate the current AFWD, as contemplated in the fourth matter in the Open Meeting Memorandum. However, since this has no direct impact on Anthem, we will not express an opinion pro or con for this approach. 3. Finally, we agree that consideration must be given to full consolidation of all of EPCOR's wastewater districts as contemplated by the third matter in the Open Meeting Memorandum, but as part of a new rate case. Consideration "in a future rate case" is totally consistent with Decision 72047. However, we are concerned that consolidation is inconsistent with the Commission's principle as expressed during case 09-0343 that customers should pay for the cost of the service they receive. We will not express agreement with or objection to full consolidation until we have had ample time to consider the short and long-term implications to customers of the Anthem Wastewater District.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Comments entered for the record and filed with Docket Control.

End of Comments

Date Completed: 7/18/2014

ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Opinion No. 2014 - 117132
